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FRACTIONAL CURRENCY COLLECTORS BOARD

Spring 2006

Supporting a Museum

Every year our Boy Scout troop goes on a mini-high adventure over the 3-day weekend which includes the Martin Luther King Holiday. We take a bus load of scouts to backpack in Big Bend, climb Guadalope Peak, or hike the Civil War battle field at Vicksburg, Mississippi. When we travel to Vicksburg, one of the places we visit is their local museum in the Old Court House. The collection of items they maintain focuses on the time of the Civil War, and tracks many related things that followed. One year while looking at the various displays I noticed that they didn't have and of the stamps issued to commemorate the last encampment of the Confederate Army. So a few days after our return I pulled out my stamp collection duplicates and found an extra no-hinged, unused example of this stamp. I mailed the CU stamp along with a note to the museum, pointing out that these stamps were missing from their display and wanted to donate them to the museum. I received a very nice respond thanking for the donation. The next time I was in Vicksburg visiting the museum I saw there in the display case the stamps I donated, completing the grouping they had started in their collection.

However, the story doesn't end here. I also discovered that they were missing an example of a 50c Confederate fractional currency note. When I mention this to a fellow collector this spring, a few days later I received a package with an excellent example of this note! I immediately mailed the note to the museum curator. A short time later I received a nice letter from the curator thanking me for the currency note and letting me know it had been placed on display with their other examples of confederate currency. Knowing that I had a hand in helping a museum obtain a little something so that others might see and enjoy simply reinforced my believe that as collectors, we're simply the caretakers of history so that others who follow might also enjoy what we've preserved.

Is this your last newsletter?

It's that time of year again, when we're updating our membership list. Following the annual meeting at Memphis, we inactivate those members who had not yet paid their 2006 dues. Instead of receiving this great newsletter in August, these people will receive a letter thanking them for their support of FCCB and biding them good luck in the future. If you've not paid your membership dues yet, you still have a couple weeks before the 'clock runs out' following Memphis. So act know to prevent any disruption in your FCCB newsletters. Simply write-out your check to FCCB in the amount of $15, place it in an envelope to our Treasurer, Dr. Wally Lee, (his new address is shown in our membership list)!

Until next time…

Jerry Fochtman

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Prez' Says

Riiiiiiiing--Memphis is Calling!

Get the phone! Oh, nobody there? Well, that is because it is a virtual call to all FCCB members. It was a call to all of you to join us at Memphis. Our little slice of the hobby is HOT right now. I urge you all to come to Memphis and soak it all in and ride the crest of this incredible wave while you can. We will be having our annual meeting and I look forward to seeing many of you there. As usual, we will have a raffle to raise a little dough—so DEALERS—CONSIDER THIS YOUR CALL FOR DONATIONS!!

No one stepped up to be our speaker, so we will have all attendees be the speaker. We will have a short business meeting and then will have everyone get up and present "*my favorite fractional*—and why." I think this will be a fun time and a chance to not only get to know the others in attendance, but also what niche of our notes they like to collect.

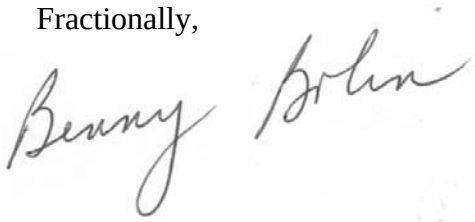
The fractional exhibits are gonna really rock this year! I spoke with Martin Delger, exhibit chair and he told me he already had 6 (yes six) exhibits! Not only is that the most we have had in years and years, it will probably be the most first time exhibitors we have ever had. I am hopeful that Martin got a couple more entries to go with our six. Fun times for all you exhibitors competing for second and third place!!!!! First is already wrapped up by an old, balding fat man who thinks he is the fractional exhibitor magnifico! I look forward to someone tossing him off his imaginary throne and instilling some amount of humility in him!

Of note—I recently obtained a letter from Cummins, Allen & Co to Mess J. J. Allen Co of NY dated 9/22/1862. It was a receipt for what looks like a bond payment. At the bottom they wrote "*We can get no postage currency yet. Will probably be able to do so in small amounts in a few days."* Really neat content showing that people were eagerly anticipating postage currency and using it! NY got their first shipment of postage currency on 9/8/1862. This letter was written a mere two weeks later!

Again—a plea—come join us in Memphis. It will certainly be worth the trip!

Until next edition—I bid you good collecting and fractionally satisfying days!

Fractionally,



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4247

Second Issue Fractional Currency Experimental Notes

By

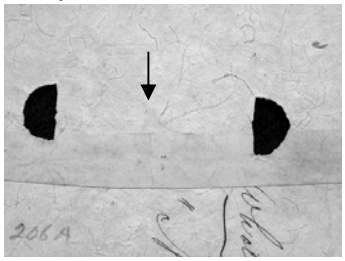
Frank Clark

Fractional Currency was the government's attempt to solve the specie shortage caused by the hoarding of gold, silver and eventually copper coins during the Civil War. Since most everyday transactions were for less than a dollar, this coin shortage severely strained everyday commerce. These notes were printed from 1862 to 1876 in five separate issues and in denominations of 3c, 5c, 10c, 15c, 25c and 50c. Experimentals comprise a particularly fascinating area of the series.

During the time these notes were printed, many experiments were tried testing various plates, bronzing compounds, inks and papers with the ultimate intention of shifting the printing of currency to the Treasury away from the private banknote companies. The leader of these experiments was Spencer Morton Clark, the first superintendent of the National Currency Bureau (now the BEP). He felt that the banknote companies and the printer's unions were taking advantage of the government with their monopoly and that the notes could be printed at the bureau for much less cost. It is interesting to note that Clark kept a large collection of these notes for his own "*collection*". These notes were sold in a fixed price list by Edouard Frossard dated October 1, 1893. This list is an important reference for experimental notes and is highly prized by collectors. Also interesting to note is that each of these notes had the number they correspond to on the list penned in gold ink on the back by Frossard. Today these numbers can be used to pedigree notes back to Clark.

Experimental notes exist for all issues of fractional currency. Those of the first and third issue are much rarer than those of the second issue. Those of the fourth and fifth are even rarer.
First issue experiments dealt primarily with different colors of ink and paper. The color experiments on the first issue are very vivid to any collector of fractional. The colors varied from brown ink, green ink to black ink. The way the notes stand out with these different colors is very noticeable.

Second issue experimentals comprise the vast majority of experimentals. In his 1997 Encyclopedia, Milton Friedberg lists 75 major varieties with about 100 more sub-varieties; many of which are either minor differences in the notes or courtesy autographed notes. While the numbers above seem like a lot, in actuality, with the exception of just a few types, most experimentals have less than 5 or so known with many being unique.



Second issue notes come in three forms—unpunched, punched with two half-moon punches (most common) and with three pie-shaped cancels. It is said that Secretary of the Treasury Charles Foster mandated that each of the notes have a punch in them before they were lawfully sold to collectors. This is somewhat confusing since Foster was Treasury Secretary from 1891 to 1893, so if this is true, they would have to have been punch-cancelled well after they were printed. Also, some

second issue experimentals are known without any punches (so were they lawfully sold or not?)

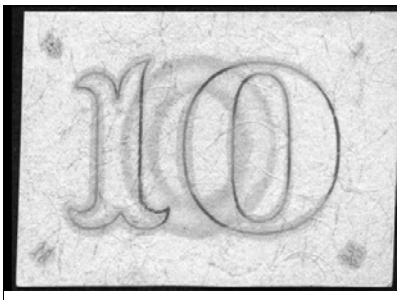
No definitive word exists on what each type of experimental note was testing for, but they were probably used for paper type, ink and/or bronzing types. Many second issue notes have bronze surcharges on the back which probably marked the type of experiment the note was used for.

Paper types were probably the most common experiments done. Clark and Stuart Gwynne, an engineer at the BEP developed a widely used fiber paper that had a unique composition and was actually two sheets pasted together to form one sheet. It holds that before Gwynne had a final product, many experiments with other types would have been tried. There are thick paper, thin paper, oily paper, waxy paper, and even paper made from what appears to be wallpaper.

One experiment on the paper seems to have dealt with testing the paper for shrinkage. Notes were cut in half and one-half soaked to test for shrinkage under varying conditions and the other half not. These notes were then put back together with paper backing. This is one of the few times a collector finds value in a damaged note. Congress got into the act as well and mandated a "*distinctive paper*" for use having become concerned with counterfeiting. Notes were printed on paper with a large FIFTY in fancy letters that had been bronzed for Fifty Dollar Bonds and some for 100 dollar bonds and even 1000 dollar bonds. There were also notes printed on paper that had been bronzed as an essay for National Bank Notes**.**

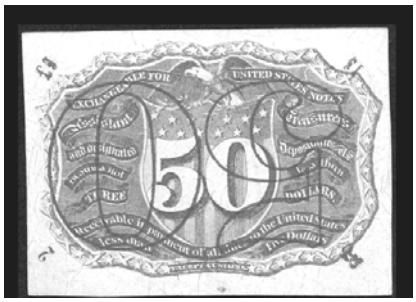
There was also paper used that had a bronze rectangle with **Tres Dpt** denoting the special paper. It is possible that the Treasury Department circumvented Congress's orders by stamping each sheet "Tres Dpt.," thereby making the regular banknote paper distinctive, instead of having to go back to the drawing board and print experimental notes on various forms of paper, a process which had already been done, and during which Treasury Department officials never found a satisfactory substitute for the regular banknote paper. These rectangles are at the very edge of the sheet, and were probably intended to be trimmed off, accounting for their extreme rarity. These bronzed experimentals are highly prized today.

A large number of other experiments were done on second issue notes. Besides testing paper and the glue which held the two pages together, experiments to test printing techniques, ink composition, bronzing, etc were also done. A very obvious note that tested bronzing is the ten-cent note with just the bronze oval on the front and the skeleton denomination "10" and the bronze corner surcharges on the back. Others had the bronze oval only on the front and sometimes the oval was printed on the back. Also, some of the bronzing was printed in error form as the one shown with the bronzing inverted.



Only bronzing printed

Bronze oval on back



Inverted Bronzing

Research points to the fact that experimentals with three-pie-wedge cancels are the result of their having been canceled at the auditor's department. These notes are very rare with only a few examples known.

There are many other second issue experimental notes not illustrated. Die proofs, progress proofs, essays, many different paper types and thicknesses are also represented in this part of fractional collecting. It is truly a segment of the hobby that needs more investigation.

Testing done on Third Issue notes came years later, after the successful use of fibre papers on the second issue notes, and when Clark and others were trying to be a bit more circumspect in the performance of their official duties. As a result, third issue experimentals are often unique or represented by only a couple of specimens. Interesting third issue experimental notes shown are a 25-cent note punched with three circular punches, a 10-cent notes also with three circular punches and the two half-moon punches like the second issue notes and a fifty-cent note with two half-moon punches and intricate lathe work.

Bibliography:

- Illustrations Heritage Auction Galleries – www.HeritageAuctions.com/Currency website
- Various auction catalogs of Heritage Currency Auctions of America and R. M. Smythe
- Fractional Currency Essays and Experimentals. M.R. Friedberg. Coin World 1983
- The Encyclopedia of United States Fractional and Postage Currency. M.R. Friedberg
- A Collector's Guide to Postage and Fractional Currency. Robert Kravitz

"Did You Know…"

By

Robert J. Kravitz

P.O. Box 6099

Chesterfield, MO 63006

314-878-3564

The gray fractional currency shields were made and sold between Aug. 1866 thru May 1869. They sold at $4.50/ea, mostly to banks. Total sales for the shields was only $ 14,683.00. That comes out to 3,263 total shields sold. Maybe just 10-15% still exist today.

JAMES POLIS

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The Undervalued Regular Issue Note

By

Jerry K. Deutsch

The “meat and potatoes” of any high end fractional collection, i.e., that to which all specimens, proofs, experimentals, essays and other ephemera owe their value…is the Regular Issue note. It is therefore not a stretch to suggest that very few, if any, of the aforementioned ancillary pieces should be valued higher than the finest examples of Regular Issue fractionals. This, however, is not the world we live in. Interestingly, the established lexicon of our hobby considers the rarest of these “second class” or “trial” notes to be worth more than all but a scant few of the finest known Regular Issues. In fact, only 5 –10 rare individual varieties of Regular Issue notes can boast higher price tags than a multitude of the rarest specimens, proofs, et. al., on the market today.

Fortunately, with paradox and imbalance comes opportunity. But how should the patient, attentive and budget minded collector respond? For starters, if you believe, as I do, that not enough interest is being shown to high end Regular Issue notes, you’ll simply return to fundamentals. Another words, concentrate on condition, rarity, color and eye appeal. Refuse to be unduely swayed by auction hype, unimportant rarity or pedigree claims and nebulous population numbers. Instead, hunt down the finest examples of Regular Issues available, for these are the true rarities of the future. The trend is with you. Recent auctions have richly rewarded those sellers of extremely high end Regular Issues, regardless of rarity.

Your search, however, will prove no easy task. There is evidence that assumed population numbers have been grossly overstated. On the other hand, the market place seems awash in Justice and Spinner notes, and although these notes contain myriads of varieties, they may be more plentiful than previously thought. We can look at census numbers reported in Rob Kravitz’s excellent work, “A Collector’s Guide to Postage & Fractional Currency, 1st Edition”, but they are surrounded somewhat in mystery. As of this writing, I was unable to verify whether note redemptions listed as of 1876 were Treasury figures or merely references from George Blake’s 1908 book, “United States Paper Money”. Regardless, we are told the following: 1) There were 4.3 times as many 50c Third Issue notes issued as 50c First Issue. Yet we are to believe that somehow there were 18% more 50c First Issue notes outstanding by 1884 than 50c Third Issues, 2) Even harder to swallow is the proposition that the total unredeemed notes for the combined Third, Fourth and Fifth Issues was less than the total for the smaller First and Second Issue, even though 3) An astounding 1.2 billion more notes were issued for the final three fractional issues versus the first two. Rob’s book is an excellent read and I highly recommend it. Still, one must truly ponder how a relatively few notes, hastily issued in wartime, came to vastly outnumber more plentiful post war notes. In any event, based on census data available in Rob’s book, the following notes appear to be bargains in Gem condition:

Fr. 1310

Fr. 1316, 1317, 1318, 1320-22

Fr. 1316

Fr. 1322

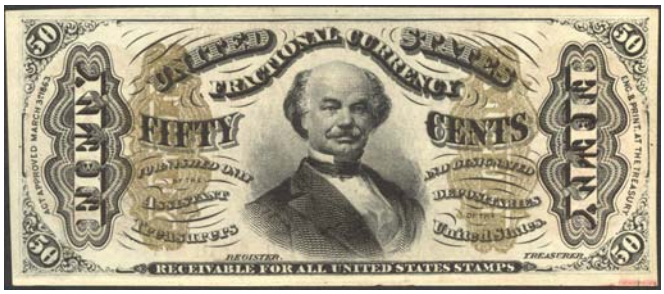
Fr. 1268 – 1271

Fr. 1270

Fr. 1374

Let's talk more about rarity. Who wouldn't prize a "finest known" note, or better yet, a "unique" one? Certainly within everyone's reach are notes with populations of 30 or more. Now consider the No Signature Fr. 1276-SP Grant/Sherman. The Holy Grail of specimens, yet it was never even released as a Regular Issue. Two are known. The Ford example sold for $12,000 in '04. The comparable Regular Issue rarity, the Spinner No Signature Milt 3R50.14c, of which there are also only two known, both out of the Ford collection, were both sold by Stack's, one in '04 and the other in '05. Although represented as "possibly unique", the first of these two notes could only muster $5,000. After an acknowledgement by Stack's that two existed, the second note sold for only $1,600 one year later. Did Stack's forget both notes were housed in the same collection? What is wrong with this picture? More disturbing, how can a Regular Issue note, with identical rarity to a specimen, ever be considered inferior in value?

Fr. 1276 – SP



Milt 3R50.14c

How Regular Issue fractionals came to be so seriously under appreciated and undervalued is anybody's guess. But I can tell you I've been in too many auctions to doubt the power of the

free market place to determine fair value. Johnny Rowe, who helped the late Sam Feldman put together his fine collection once reminded me: "Serious fractional collectors are like stamp collectors, they will pay what ever it takes to get the note they want". There's a lot of truth in that and may explain some of the apparent inequities. Nonetheless, enjoy Regular Issues for their sheer artistic beauty and respect them for their heritage and provenance. Remember as well, we are the conservators for the next generation of our fine hobby.

Member's Trading Post

Looking for Graphics of Satirical Notes and other Rare Fractional Items for Historical Collection Effort. Jerry Fochtman jfochtman@bradmark.com 713/513-9309	Researcher/Collector interested in ALL fractionals with inverted or mirrored plate numbers. If you have one (for sale or research) please e-mail riconio@yahoo.com or call 818/591-2326. Thanks – Rick Melamed.	Wanted: FR1374 (Lincoln) Counterfeits notes, scans,clippings, info, etc. for upcoming Lincoln currency book. Fred Reed (FCCB #55) Freed3@airmail.net P.O.B 118162 Carrollton, TX 75011

(Current FCCB Members are welcome to submit requests for one (1) Trading Post notices for each issue. Simply e-mail your request to jfochtman@bradmark.com)

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Recent Discovery…

By

Rick Melamed

Pictured is a nice find courtesy of a recent eBay auction. This is an FR1339 with an inverted plate #87 on the bottom left face. It came from a woman in the Midwest who was selling her father's old collection. She had indicated that her father had passed away and it had been in his possession for many decades. It grades fine and really not distinguishable to only but the flea market collector…but because of the inverted #87, for me it was a jewel of a find. When I saw it on eBay, it was hard to determine from the quality of the scan if it was what I hoped it was. But it sold for a modest price and it was easily worth the risk. This is a new inverted plate number for the census.

I studied the note closely and while there could have been a small doubt if it was a regular plate number 48…I believe it to be an inverted plate number 87. I came to the conclusion based on several factors:

1. Looking at the note right side up, the bottom of the inverted "7" lines up perfectly with the bottom of the "8" – I've studied a lot of plate numbers and while observing a lot of flourishes in design; I do not recall any example where the digits don't line up and are not parallel to the edge of the note.
2. If the "7" was actually a "4" then the lack of a tail on the right side on the "4" digit would exist…there is no tail.
3. Please note the very ornate loop on the "7" on the far left of the note. I tried practicing writing the digit as the engraver did…with the loop. It's far easier to write the digit, with the loop, as a "7" as opposed to writing it a "4".

This is one of the very few known Spinner or Justice note with an inverted plate number on the face…almost all the examples known have the inverted or mirrored plate numbers on the reverse. This is my first example of a Spinner or a Justice with an inverted plate number on the face. I erroneously reported in the January/February all fractional editions of Paper Money that I possessed and FR1360 with an inverted plate number 68 on the face of a Justice note. After another look, I discovered that plate number 68 (from the BEP journal of fractional plate numbers) on a Justice note was reserved for the back of the note. So I apologize for the mistake and have removed it from the census.

The study of plate numbers on fractionals is far from an exact science. A lot of study is needed and sometimes all we're left with is an educated guess. There are a lot partial plate numbers and there are also so many different styles. It's ironic that engravers took great pains

to make sure that each plate had the exact same design. But with plate number notes, there is absolutely no consistent standard and a multitude of different styles. Puzzling indeed.

Think of what a big deal it is to find an FR1295 Fesseden note only to discover that the engraved placed the “a” in a slightly different position…what do you get: an FR1296 …easily worth 40-50 times the value of an FR1295. The no-pearl variety of the 3¢ FR1226 is another example where even the most modest of design omissions has created a sub-variety worth a premium (albeit a lot more modest than the FR1296). The inherent difference is the “a” on an FR1295 vs. an FR1296 is the “a” is part of the note design; the plate number was not part of the design…merely an accounting number of plates. Still plate numbers show up regularly as part of the note, and there isn’t a collector worth his salt that does not have a plate number in their holdings. And even among my fractional brethren who don’t really care about plate numbers or my constant ramblings about inverted and mirror plate numbers; even the disinterested has to admit to themselves that they say “cool” when they purchase a new fractional and it has a plate number on it.

I saw an ad in the New York Times magazine for a time share in Aspen, Colorado selling "fractional ownership of luxury condos" ...how about that for a new euphemism. I wonder if you can buy in fractional currency or if you are "oxygen deprived for an extended period" that you can will your fractional ownership to the next of kin.

Fractional Match Safes

By

Dave Treter

I just wanted to share a new addition to my fractional collection that I found on EBay. It is a match safe that depicts a second issue 25 cent note on its lid. According to an item description by Heritage in the O'Mara's sale, there are only about fifteen complete match safes and loose tops are a little more common with about forty lids still in existence. Heritage indicated that they have never seen a complete Second Issue match safe, but as you can see with the one I just received on EBay, it is a complete safe and it is in the style of a stack on notes. It may be unique by being the only complete 2nd Issue match safe.

These match safes are very rare and were made by several different manufactures in several different designs. I have two complete safes, a 25 cent safe and a Fressenden safe which is the most common with six complete examples. The O'Mara sale had three complete safes and two lids.

There is very little known about match safes and I have taken it upon myself to try to learn as much as possible about them. If you have one, I would appreciate a scan to show any styles of the box and also the design on the lid. If you just have the lid, a scan of the note on the lid would be nice to have too. All contact with me will be kept in confidence I will try to get a population for each style and report back with another article for our newsletter. If you have a complete match safe or just a lid, please contact me at dtreter@hotmail.com.